

Message Text

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ORIGIN XMB-04

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03
SP-02 LAB-04 EPG-02 SIL-01 OMB-01 FEA-01 OES-07
/064 R

EXIMBANK

DRAFTED BY XMB: P W DUNTON
APPROVED BY EB/IFD/ODF:FHTHOMAS
XMB: C NORRIS
NEA/ARP:FHGERLACH
-----040328Z 066249 /63
R 032235Z JUN 77
FM SECSTATE WASHDC
TO AMEMBASSY MUSCAT

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E.O. 11652: N/A

TAGS: EGEN, MU

SUBJECT: PROPOSED BRICK AND BLOCK PLANT NEAR MUSCAT

1. EXIMBANK HAS BEEN APPROACHED BY SWINDELL DRESSLER
COMPANY (PITTSBURG) TO ISSUE A PRELIMINARY COMMITMENT
IN SUPPORT OF THE TURNKEY CONSTRUCTION OF A SAND LIME
BRICK MANUFACTURING PLANT (CAPACITY 22 MILLION BRICKS PER
YEAR) AND A CONCRETE BLOCK MANUFACTURING PLANT
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(CAPACITY 6.6 MILLION BLOCKS PER YEAR). THE COMPLEX WILL
ALSO PRODUCE 27,000 TONS PER YEAR OF BAGGED LIME. THE
PLANTS WILL BE LOCATED ON A COMMON SITE NEAR MUSCAT
(ADJACENT TO THE QUARTZITE QUARRY). TOTAL PROJECT COSTS
ARE ESTIMATED AT DOLS. 16.1 MILLION WITH PLANT STARTUP
SCHEDULED FOR 1979. THE FINANCIAL PLAN CALLS FOR 70 PER
CENT DEBT AND 30 PER CENT EQUITY.

2. THE OWNER OF THE PROPOSED COMPLEX WILL BE THE NEWLY

FORMED JOINT OMANI/KUWAITI FIRM, CONSTRUCTION MATERIAL INDUSTRIES (CMI). EQUITY HOLDERS INCLUDE KUWAIT FOREIGN TRADING AND CONTRACTING AND INVESTING CO. (20 PER CENT), MUSAIID SALEH AND SONS (KUWAIT) (20 PER CENT), INDIVIDUAL KUWAITIS 5 PER CENT AND 25 INDIVIDUAL OMANIS (55 PER CENT). PROMINENT OMANI SHAREHOLDERS INCLUDE QAIS ZAWAWI, MIN. OF FOREIGN AFFAIRS, MOHAMMAD ZUBAI, MIN. OF

COMMERCE AND INDUSTRY, SAID SHAUFARI, MIN. OF PETROLEUM AND FISHERIES AND DR. HAMAD AL-RIYAMI (ALSO BOARD CHAIRMAN).

3. MARKET STUDY PREPARED BY PULLMAN ASSUMES THE FOLLOWING SELLING PRICES: BAG LIME -- DOLS. 129/TON, SAND LIME BRICK -- DOLS. 0.172 PER BRICK AND CONCRETE BLOCK -- DOLS. 0.646 PER BLOCK.

4. WOULD APPRECIATE KNOWING EMBASSY VIEWS ON: THE FEASIBILITY OF THIS TYPE OF PROJECT FOR OMAN, THE DEMAND FOR THE PRODUCT MIX, THE PRICING ASSUMPTIONS, THE PROPOSED SHAREHOLDERS, THE AVAILABILITY OF RAW MATERIALS, AND THE AVAILABILITY OF WATER AND ELECTRICITY TO OPERATE THE PLANTS. PLEASE REPLY ASAP AS EXIM MUST MAKE A DECISION WELL IN ADVANCE OF THE JULY 1 EXPIRY DATE ON PULLMAN SWINDELL'S LETTER OF INTENT. CHRISTOPHER

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Message Attributes

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Copy: SINGLE
Sent Date: 03-Jun-1977 12:00:00 am
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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